

Proposed Conflict of Interest Policy for Small Business Recovery Loan Program Oversight Board

Purpose

The Small Business Recovery Loan Program Oversight Board (“Board”) is governed by Statute (Title 24, article 18 “Standards of Conduct” and Title 24, article 36, Part 2 “CLIMBER Act”) with regards to conflict of interest. This policy is intended to define conflict of interest for Board members and its staff.

Principles

Each Board member shares the responsibility for maintaining public trust. This responsibility for fairness and integrity must be fulfilled through individual compliance with the spirit as well as the letter of the law governing state agencies and by careful and thoughtful adherence to a strict code of ethical behavior. The standards set out in this section are guiding principles, which must be used along with one’s good judgment.

Conflicts of interest arise when a Board member takes part in Board decisions in which the Board member may be unable to remain impartial, maintain objectivity, or fulfill the Board member’s duty of loyalty in choosing between the interests of the Board’s beneficiaries and the Board member’s personal interests. In some cases, it may be a simple conflict of loyalties. In others, the person concerned (or a relative or partner etc.) has a financial interest in the decision. Overall, each Board member must act with honesty, fairness, and integrity in all aspects of business and personal conduct with full disclosure – erring on the side of caution – in any situations that are, or may become, conflicts of interest.

Board members are expected to play active roles in their communities. Combined with friendships, family involvement and business relationships, potential conflicts of interest or the appearance of such conflicts will inevitably arise from time to time. The Board will address potential conflicts in an open and appropriate manner that includes full disclosure, abstention from participation, and proper recording in the Board’s records.

Policy

With these principles in mind, the Board has adopted the following policy with respect to staff and Board members:

- Board members and staff shall not profit or otherwise benefit from loans made in connection with the small business recovery loan program created by the CLIMBER Act (Title 24, article 36, Part 2).

FINAL AND ADOPTED

- Board members and staff shall not knowingly take any action, make any statement, take advantage of a vendor relationship, or otherwise influence the conduct of the Board's affairs in such a way as to confer a financial benefit upon him/her or a member of his/her family or business interest.
- Board members shall not perform an official act that may have a direct economic benefit on a business or other entity in which the Board member has a direct or substantial financial interest.
- In the event that there comes before the Board a matter for consideration or decision that raises a conflict of interest for any Board member, the Board member shall disclose the conflict of interest as soon as he/she becomes aware of it and shall abstain from further participation and voting on the matter. Such disclosure and abstention shall be recorded in the meeting minutes and the presence of the Board member with a conflict of interest shall not be counted toward a quorum with respect to that matter.
- In the event that a Board member is in doubt regarding a potential conflict of interest, the Board member shall seek consultation from the Board chair and the Assistant Attorney General representing the Board before engaging in discussion and/or voting.
- Board members and staff shall annually disclose that they have adhered to the Board's conflict of interest policies, including full disclosure of their dealings with the Board or its vendors (other than compensation and reimbursement of approved expenses).